

HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
Minutes of the Board of Trustees
Rules Committee Meeting
March 27, 2002

TRUSTEES PRESENT: Mr. Davis Yogi, Chairperson
Mr. Clifford T. Uwaine, Vice-Chairperson
Mr. Neal Miyahira
Mr. Will Miyake

HEUHBTF STAFF: Ms. Shirley Kawamoto
Ms. Wanda Kimura
Ms. Karen Tom

ATTORNEY: Mr. Brian Aburano, Deputy Attorney General

GUESTS: Ms. Lynette Arakawa - HDS
Ms. Monica Engle - VSP
Ms. Kathy Fay - HDS
Mr. Charles Khim
Mr. Gordon Murakami - Royal State
Mr. Rod Tam - HMSA

I. CALL TO ORDER

The meeting of the Rules Committee convened at 10:45 a.m. by Mr. Davis Yogi, Chairperson, in Conference Room 303, No. 1 Capitol District Building, 250 South Hotel Street, Honolulu, Hawaii, on Wednesday, March 27, 2002.

The convening of the meeting was delayed as Trustee Uwaine wanted to wait for Trustee Miyake before starting the meeting. As such, there was a general discussion about how the Rules Committee meetings will operate when one of the employee-beneficiary trustees is late or absent. Trustee Miyake said that he is willing to meet when there is minimum requirement for quorum, i.e., one trustee from each side present. Trustee Uwaine said that he would be willing to meet only when Trustee Miyake is present. Based on Trustee Uwaine's comment, it was agreed that if Trustee Miyake notifies the staff that he will be late for a meeting of the Rules Committee, the meeting will only be called to order when Trustee Miyake arrives, and the adjusted time of the meeting will be recorded on Ms. Shirley Kawamoto's voice mail (586-1591) so that members of the public can find out if the meeting is going to be delayed.

II. APPROVAL OF MINUTES

Motion to approve the minutes of March 19, 2002. (Uwaine/Miyake)

Discussion: In the future, the minutes will reflect the legal name of Trustee Uwaine as Clifford T. Uwaine.

Vote: Unanimously passed.

III. OLD BUSINESS - Overview of Current Health Fund Rules and Concept EUTF
Administrative Rules

The following actions were taken on the document containing the current Health Fund rules as compared with the Project Team's draft rules:

Part 1 - General Provisions

1. Incorporate "Purpose" statement from Sections 15, 26(a), and 31(a) to give intent of what the board is trying to accomplish through its rules as well as Act 88.
2. Rule 1.01 - Definitions
Committee agreed to include by reference all definitions included in Chapter 87A-1, HRS.
 - a. "Administrator" - add definition, i.e., "Administrator" means the administrator of the trust fund appointed by the board, or the duly authorized representative of the administrator" (covers when he/she is on vacation/sick).
 - b. "Beneficiary" - deleted.
 - c. "Child" - staff to research 'hanai' and clarify definition of foster child with regards to filing of a petition.
 - d. "Full-time student" - Committee deferred a decision on whether or not to approve this new definition. Consideration will be given to deleting references to accredited schools recognized by the American College of Education and to incorporate secondary schools.
 - e. "Retired member" or "retired employee" - staff to revise to exclude surviving spouse from this definition.
 - f. Committee recommended that the definitions be listed in alphabetical order.

RECESS: 12:20 p.m. to 1:20 p.m.

3. Rule 1.02 - Public Information: Delete [required] and add as permitted with regards to compliance with federal or state laws. Requests for inspection of records to be submitted to the Administrator.
4. Rule 1.03 - Computation of Time: The Committee has this rule flagged for future discussion should a definition for "month" be required.
5. Rule 1.04 - Officers of the Board: (e) add and Administrator shall coordinate assignments.
6. Rule 1.05 - Committees of the Board was revised as follows:
 - a. (a) add Administrative, Benefits, and other standing committees.
 - b. Add subsection before (a) Meetings of standing committees of the board shall comply with Part I of Chapter 92, HRS.
 - c. (f) Add and Administrator shall coordinate assignments.
7. Rule 1.06 - Meetings of the Board:
 - a. (a) Delete [required] and add permitted with regards to compliance with federal or state law on meetings being open to the public.

- b. (b) add "The board shall designate the Administrator or a member of its staff to be responsible for preparing agenda for future board meetings."
 - c. (d) add language clarifying a two-thirds vote requirement by other statutes.
 - d. (d)(5) discussion regarding mediation vs. third party umpire. Committee deferred a decision on this subsection.
8. Rule 1.07 – Appearances Before the Board was revised as follows:
- a) (c) delete this item.
 - b) (e) use the language in the PEHF rule 6-30-6(d).

RECESS: 2:12 p.m. to 2:17 p.m.

- 9. Rule 1.08 – Delegation of Authority: No comments.
- 10. Rule 1.09 – State Ethics Code – No comments.
- 11. Rule 1.10 – Controlling Law: Delete [maximum] with reference to application of rules not completely governed by federal or state law.

Part 3, Eligibility for Enrollment, was taken out of order to accommodate members of the public who attended the meeting specifically for Part 3.

Part 3 - Eligibility for Enrollment

- 1. Rule 3.01(a) – Employee-Beneficiary was revised as follows:
[Subject to Rules 5.02, 5.03, 6.03 and 6.04,] The following persons shall be eligible to enroll as employee-beneficiaries in the benefits plan offered or sponsored by the Fund:
- 2. Rule 3.02 (a) – Dependent-Beneficiary was revised as follows:
[Subject to Rules 5.02, 5.03, 6.03 and 6.04,] The following persons shall be eligible for coverage as dependent-beneficiaries in the benefits plan offered or sponsored by the Fund:
- 3. Rule 3.03 – Long-Term Care Benefits Plan. Staff to provide Mr. Aburano with eligibility language from the Health Fund booklet.

Part 2 - Administrative Procedures

- 1. Rule 2.01 – Adoption, Amendment or Repeal of Rules:
 - a. (c) The board shall determine whether to deny or proceed with a petition within a [reasonable] 90-day period of time. If the petition is denied, the board shall notify the interested person or organization in writing of the denial, [and the reasons for such denial.]
 - b. (h) Unless some other date is expressly selected by the board, a new rule, amendment of a rule, or repeal of a rule shall be effective [ten days] on the first day after the rule, amendment or repeal is filed with the lieutenant governor's office.

2. Add Rule 2.02 dealing with the Board's Operating Rules for consultation on policies, standards, and procedures.
3. Rule 2.02 – Declaratory Rulings was revised as follows:
 - a. Renumber as Rule 2.03.
 - b. (c) The board may [refuse to issue] dismiss a declaratory ruling for good cause. Without limiting the generality of good cause, the board may [refuse to issue] dismiss a declaratory ruling.
 - c. (e) The petition shall either be rejected in accordance with subsection (c) or acted upon by issuance of an order within a [reasonable] 90-day period of time.
 - d. Incorporate Section 6-31-3(e) of the PEHF rules as a paragraph in this Rule.
 - e. Mr. Aburano to look at the need for a hearing under PEHF rule 6-31-3(h) which implements §91-8, HRS.
4. Rule 2.03 – Administrative Appeals: Renumber as Rule 2.04.
 - a. Mr. Aburano to revise to permit voluntary waiver of appeal process by aggrieved party. In this respect, it was suggested that the staff review the Hawaii Civil Rights Commission's notices and process.
 - b. Change the appeal process to include an intermediate appeal to the Administrator.

III. NEXT MEETING:

Tuesday, April 2, 2002, 1:30 p.m. to 4 p.m., State Office Tower, Civil Service Commission Conference Room, 14th Floor for a briefing of the project team's proposals regarding Administrative Rules Sections 4, 5, and 6.

The following meeting will be April 10, 2002 to continue the briefing of the project team's proposals regarding Administrative Rules Sections 4, 5, and 6.

IV. ADJOURNMENT:

Motion to adjourn. (Uwaine/Miyake)

Discussion: None.

Vote: Unanimously passed.

Meeting adjourned at 4 p.m.

Respectfully submitted,

/s/

Davis Yogi, Chairperson

APPROVED on April 23, 2002.

Document distributed:

1. Minutes March 12, 2002. (3 pages)
2. Presentation of Draft Administrative Rules dated March 27, 2002. (7 pages)
3. Current Health Fund Administrative Rules, Comparison with Project Team Proposed HEUHBTF Rules. (19 pages)